

**ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING**

Wednesday, March 16, 2011

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:35 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Betsy Gammell, and Commissioner Bill Schmitz

Absent: Commissioner Jeff Wood

Staff: John Vest, General Manager and Matt Wisely, Superintendent

1-B APPROVAL OF MINUTES

The Minutes of February 23, 2011 were approved unanimously

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None.

3 COMMISSION COMMUNICATIONS

None

4 WRITTEN/ORAL REPORTS

4-A Maintenance activities written report by Matt Wisely

Matt Wisely reported that month to date rain is over one inch, and year to date is over 5½ inches. More rain is expected Friday and more after that. The crew is cutting when they can to try to get ready for spring and the Commuters Tournament.

Chair Sullwold stated that there are no places to sit near the red tees and requested that Matt look into this.

4-B Golf Shop and Driving Range activities report by John Vest

John Vest stated for the first two months we are ahead about 25% in rounds and 20% in revenue. In the month of February, Mike Winkenbach booked \$72,000 in tournaments for the coming year. In February, we generated \$7,000 in tournaments. Our twilight special, which is \$25.00 with a cart after 12:00 p.m., generated \$4,000 in revenue and our 2:00 p.m. special, which is \$20.00 with a cart, generated \$3,000 in revenue. Chair Sullwold asked if the twilight times were going to change due to Daylight Savings Time and Mr. Vest stated that they would gradually, but based on the weather, they would stay the same at least until the end of March just to get players out.

Mr. Vest stated that they are interviewing for a club maintenance worker for both janitorial and light landscaping duties. He also reported that 120 cart batteries have been purchased, 100 have been installed thus far, and it seems to be helping. The cart lease is up in July of this year.

Chair Sullwold asked if there are any marketing efforts in place to increase revenue on the range, merchandise sales and lessons. Regarding lessons, Mr. Vest said it is difficult to coordinate because the four independent teachers market themselves, but have been asked to provide information that can be posted on the website. A player development program is being designed for the pro shop personnel including a designated website. Get Golf Ready feedback showed that generally people don't have the time to complete the program (5 lessons for \$99), and if completed, don't have the money to play or purchase clubs and other necessities.

Regarding the driving range, the first two months have been better than last year comparatively. Mr. Vest stated that a check is being done every morning to verify that the pin number tickets printed are matching up to every POS transaction to stop free buckets from being given out. Also, verification is being done on annual pass holders making sure they are not giving buckets to anyone else.

Regarding pro shop sales, Mr. Vest stated that they were still working on the problem of coming up with the right mix of merchandise. He also reported that a shoplifter had been caught on video stealing two drivers. The police were contacted and, based on the video, were able to contact the individual and get the clubs returned.

Mr. Vest stated that as of January 2, 2011, Mike Winkenbach is the full time Sales and Marketing Director.

4-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

Norma Arnerich stated that after speaking with John Vest regarding the two new benches and based on their price (\$200), that is the bench they are going to use for the memorials. She has a meeting scheduled with Dave McCarver at Alameda Awards regarding plaques and the prices so she can offer this information.

Although spring break is next week, the junior tournament is being cancelled due to the upcoming weather forecast.

4-D Golf Complex Restaurant Report, Jim's on the Course

None

5 AGENDA ITEMS

5-A Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission recommendations, if any

Chair Sullwold stated that she asked Lisa Goldman if she had any information regarding Kemper coming back to the City Council, and Ms. Goldman stated that she had nothing to report, but was hoping it would be some time in April.

Joe VanWinkle stated that there is no update on the Mif Albright Course negotiations.

5-B Update on Golf Complex Finances

Bob Sullwold stated that rounds and revenue for February 2011 for both courses were higher than February 2010. Year to date, there is still a decline from the comparable period last year. The monthly report shows a net operating loss, but year to date shows net operating income for eight months as \$237,000, net cash flow of \$383,000. Transfers to the City, however, totaled \$504,000, leaving a cash balance in the Enterprise Fund of \$594,576, and available fund balance of \$443,353, less the Wadsworth reserve of \$100,000. Regarding the services category, the City has spent \$229,000 for capital expenses for the Golf Complex, including buying equipment and fixing fences. These were not in the budget and were charged to operating expenses.

5-C Report on Historical Transfers from the Golf Enterprise Fund to the General Fund including Golf Commission Recommendation to City Council, if any

Joe VanWinkle presented a report to the Commission regarding the transfers from the Enterprise Fund to the General Fund over several years. In March 2007, a recommendation for Council was for staff to monitor the golf complex budget, consider the results of the NGF operational review and implement changes to make sure there was a balanced budget. The NFG review showed advised that the surcharge and ROI transfers to the general fund are no longer viable economically. Cost allocation and PILOT are common in the golf industry.

Mr. VanWinkle's report discussed in detail each type of transfer from the Enterprise Fund to the general fund. Surcharges were originally implemented to pay back golf course debt, but were instead transferred to the general fund. PILOT has been

calculated based on an overly inflated value of the Golf Complex fixed assets. Cost Allocation has not been adjusted to reflect the appointment of Kemper as interim manager, and the corresponding reduced need for City services, nor has the allocation of a portion of the Recreation and Park Director's compensation been reduced to reflect a decrease in his regular golf duties. Finally, Mr. VanWinkle strongly advocated that the Golf Commission press for a repayment of the \$300,000 loan from the Enterprise Fund to ARRA.

Mr. VanWinkle recommended to the Golf Commission that they make a formal recommendation to the City Council about all of these items. Chair Sullwold stated that she believed that the ARRA payback may be unrealistic in light of several previous statements from different City officials that it will not be repaid. Nevertheless, Chair Sullwold suggested that a letter be written to the City Council stating their recommendations regarding the transfers from the Enterprise Fund. Chair Sullwold offered to prepare a draft letter for the Commission to discuss and finalize at a Special Meeting on Thursday, March 24, 2011.

6. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

None

7. OLD BUSINESS

None

8. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for February 2011 of \$4,926. The year-to-date total to the General Fund is \$63,488 for FY 2010/2011.

9. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission recommendations, if any
- Update on Golf Complex Finances

10. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 8:25 p.m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.